

High market activity – growth strategy continued



Third quarter 2016 – HIGHLIGHTS

- **Overall good financial performance - 10.8% EBITDA margin**
- **P&L growth softened by Americas and restructuring of AKVA group Denmark**
- **Growth strategy continues with acquisition of Sperre AS – the leading ROV provider, increased capacity in Helgeland Plast and increased presence in the Mediterranean**
- **High market activity – strong order inflow and best order backlog ever of MNOK 886**

YTD 2016 - HIGHLIGHTS

- **Best first nine months ever – revenue and EBITDA**
- **Strong financial position**
- **Dividend of NOK 0.75 per share paid in Q3 2016**

Revenues and profits for the Group

(Figures in brackets = 2015 unless other is specified)

Operations and profit

AKVA group continues to deliver on stable high margins resulting in the best first nine months ever on revenue and EBITDA. However, the P&L growth in Q3 is softened by low activity in the Americas and restructuring of AKVA group Denmark.

The market activity have been high in Q3 and this has resulted in the highest order backlog ever for the fifth quarter in a row. The high market activity continues into Q4.

The cage based segment in the Nordic region continues with a good performance in Q3. A broad range of products continue to contribute to the margins. Cage based Export also delivers decent numbers in Q3. There is low activity in Chile for the fifth quarter in a row. This is due to challenging market conditions for our customers. Canada also have a relatively weaker year so far compared to last year. The reduced performance in Americas in Q3 gives a reduced EBITDA of 8.7 MNOK year on year in Q3 for this region.

Software continues with good performance and improved margins year on year.

The land based segment with Aquatec Solutions and Plastsveis continues to improve its performance with good margins and a high order backlog. Land based is becoming a significant part of AKVA group. However, restructuring of AKVA group Denmark results in a negative EBITDA of 4.9 MNOK for this company in Q3. This is reducing the consolidated performance for land based somewhat in Q3.

A half yearly dividend of 0.75 NOK was paid in Q3 2016.

The balance sheet continues to be strong.

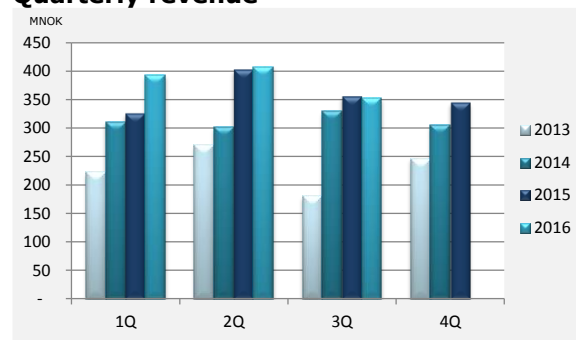
Total revenue in Q3 was 353.8 MNOK (354.7) with an EBITDA of 38.3 MNOK (40.6). EBIT was 20.8 MNOK (28.4).

Net financial items in Q3 was -4.5 MNOK (-0.5), resulting in a profit before tax of 16.2 MNOK (27.8). The increase in net financial items year on year in Q3 is mostly explained by currency movements and acquisition costs.

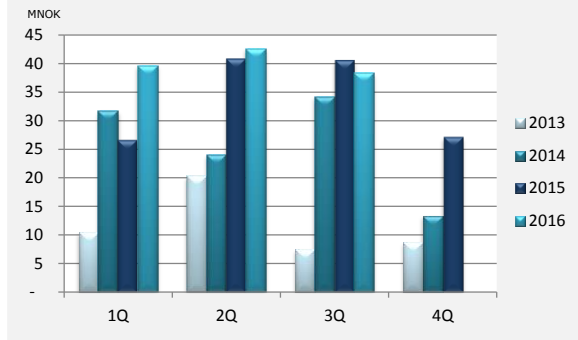
Net profit was 10.8 MNOK (19.8) after allowing for taxes of 5.5 MNOK (8.0).

YTD revenues for the first nine months of 2016 was 1,154.5 MNOK (1,081.3) with an EBITDA of 120.5 MNOK (108.0). YTD EBIT for the first nine months of 2016 was 71.7 MNOK (74.5).

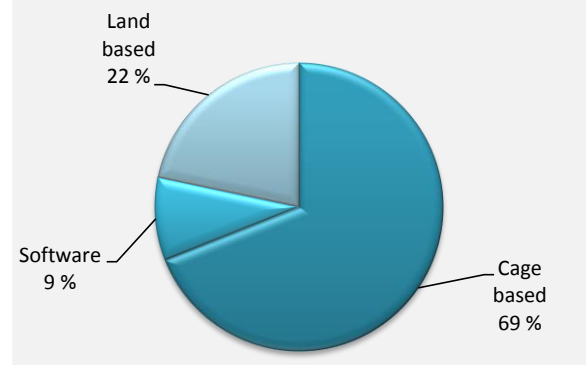
Quarterly revenue



Quarterly EBITDA



Revenue by segments (Q3 2016)



Business segments

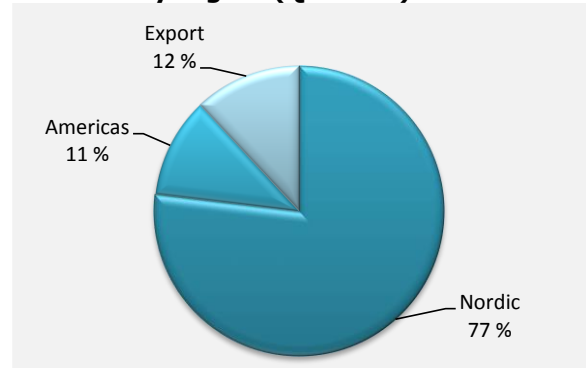
AKVA group has organized its business into three technology segments;

- **Cage based technologies (CBT):** Includes cages, barges, feed systems and other operational technologies and systems for cage based aquaculture. CBT consist of the following companies; AKVA group ASA, Helgeland Plast AS, AKVA group Services AS, AKVA Marine Services AS, AKVA group Scotland Ltd, AKVASmart Turkey Ltd, AKVA group Australia Pty Ltd, AKVA group Chile S.A. and AKVA group North America Inc
- **Land based technologies (LBT):** Includes recirculation systems and technologies for land based aquaculture. LBT consist of the following companies; Plastsveis AS, AKVA group Denmark A/S, Aquatec Solutions A/S and Systemas de Recirculacion Ltd
- **Software (SW):** Includes software solutions and professional services. SW consist of the following companies; AKVA group Software AS, Wise Blue AS and Wise Lausnir ehf

AKVA group also has organized its business into three geographical segments;

- **Nordic:** Includes the Nordic countries,
- **Americas:** Includes Americas and Oceania, and
- **Export:** Includes the rest of the world.

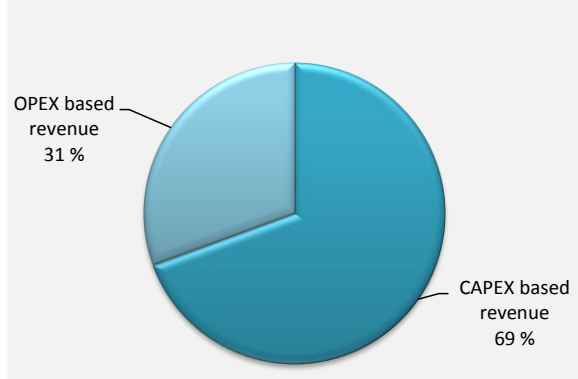
Revenue by region (Q3 2016)



AKVA group also divides its business between CAPEX and OPEX based revenue (formerly called recurring and non-recurring business);

- **CAPEX based:** Revenue classified as CAPEX in our customers' accounts
- **OPEX based:** Revenue classified as OPEX in our customers' accounts

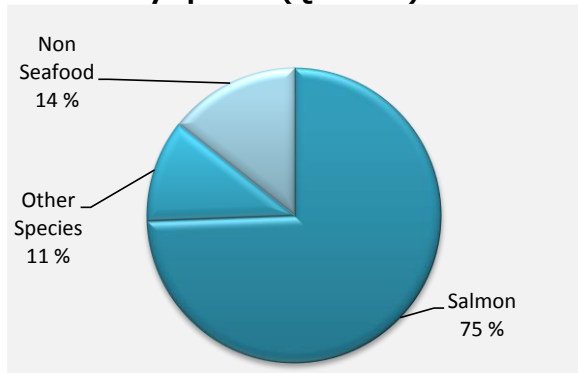
Revenue CAPEX or OPEX based (Q3 2016)



AKVA group business may also be divided between revenue from technology and services to salmon, other species and non-seafood;

- Salmon: Revenue from technology and services sold to production of salmon
- Other species: Revenue from technology and services sold to production of other species than salmon
- Non Seafood: Revenue from technology and services sold to non seafood customers

Revenue by species (Q3 2016)



The following information is divided into the three technology segments. Comments on the geographical segments are included where relevant.

Cage based technologies (CBT)

CBT revenue in Q3 was 244.5 MNOK (276.8). Revenue in the Nordic region

was 167.2 MNOK (160.2), in the Americas region 35.6 MNOK (58.0) and in the Export region 41.6 MNOK (58.5).

EBITDA for CBT in Q3 was 25.5 MNOK (29.0) resulting in an EBITDA margin of 10.4% (10.5%). EBIT in Q3 was 12.9 MNOK (20.6) representing an EBIT margin of 5.3% (7.4%).

Nordic

Nordic CBT had a good performance in Q3. A wide range of products continues to contribute to the good financial performance. Main drivers were the AKVAsmart products (sensors and feed systems), barges, Polarcirkel cages, service and rental.

The Farming Services area with AKVA Marine Services is also performing well.

Americas

We have experienced reduced activity in Americas this quarter compared to same quarter last year resulting in a reduction in EBITDA year on year of 8.7 MNOK in Q3. Year on year there is a 23.2 MNOK reduction in EBITDA in the Americas segment.

There has been low activity in Chile in Q3 due to reduced service and technology sales due to challenging market conditions for our customers, i.e for the salmon farmers in Chile.

We have over the last years reduced our financial exposure in Chile significantly. The Chilean operation is now leaner and well prepared for an upturn in the market when this happens.

Canada had another unusually slow quarter.

Australia continues to be a small, but profitable operation.

Export

UK had a decent quarter and continues to have a high level of OPEX based revenue.

Turkey continues with another very good quarter.

We are experiencing increased activity in the Sea Bass and Sea Bream industry in the Mediterranean.

Export to emerging markets have a relative low, but profitable operation in Q3. Emerging markets are dominated by a few but large contracts and this will continue to give variations in the P&L quarter by quarter.

YTD revenues for CBT for the first nine months of 2016 was 801.3 MNOK (851.0) with an EBITDA of 84.3 MNOK (84.7). EBIT was 50.0 MNOK (60.6) after depreciations of 34.3 MNOK (24.1).

Software (SW)

Revenue for SW in Q3 2016 was 32.8 MNOK (31.9). The EBITDA was 8.0 MNOK (8.3) resulting in an EBITDA margin of 24.3% (26.1%) and an EBIT of 5.1 MNOK (5.2) representing an EBIT margin of 15.5% (16.3%).

Software has ended another good quarter.

Both AKVA group Software AS and Wise lausnir ehf experienced improved performance year on year in Q3.

The software segment also have improved performance year on year YTD, both on topline and in margins. This is achieved despite the divestment of WiseDynamics in November 2015. WiseDynamics was

financially considered as a marginal part of the software segment.

Software continues to invest in new product modules, which is expected to strengthen the financial performance of the software segment further.

YTD operating revenues for SW was 100.8 MNOK (93.7) with an EBITDA of 19.2 MNOK (17.4). EBIT was 10.6 MNOK (9.8) after depreciation of 8.6 MNOK (7.6).

Land based technologies (LBT)

LBT Q3 2016 revenue was 76.5 MNOK (46.0) with an EBITDA of 4.8 MNOK (3.2) resulting in an EBITDA margin of 6.3% (7.0%) and an EBIT of 2.8 MNOK (2.6) representing an EBIT margin of 3.7% (5.6%).

There have been good financial performance in Aquatec Solutions and Plastsveis in Q3 and the high market activity continues.

However, Q3 was a weak quarter for AKVA group Denmark A/S. New management have done some work to make this unit more efficient and this restructuring have resulted in a negative EBITDA of MNOK 4.9 in Q3. The work to improve and make this a more streamlined entity continues into Q4.

The land based segment ended the quarter with a high order backlog which represents 47% of the total order backlog in the Group at the end of Q3 2016. The land based segment increased its revenues year on year with 85% and was 22% of total revenues in Q3 2016, hence land based is becoming a significant part of AKVA group.

YTD operating revenues were 252.4 MNOK (136.6) and YTD EBITDA was

17.0 MNOK (5.9). The YTD EBIT was 11.0 MNOK (4.1).

Balance sheet and cash flow

The balance sheet remains strong.

The working capital in the Group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 132 MNOK at the end of Q3 2016, compared to 127 MNOK at the end of Q3 2015. Working capital as a percentage of 12 months rolling revenue has improved YoY from 9.1% to 8.8%. We are able to maintain a very low working capital despite record high activity.

Cash and unused credit facilities amounted to 165 MNOK at the end of Q3 2016 versus 226 MNOK at the end of Q3 2015. The total credit facility at Danske Bank is 90 MNOK. Two dividends have been paid out during the last 12 months of total 45.1 MNOK (25.6 MNOK in Q4 2015 and 19.4 MNOK in Q3 2016).

Net interest-bearing debt was 213 MNOK at the end of Q3 2016 compared to 98 MNOK at the end of Q3 2015. The increase is mainly due to a bank loan financing the acquisition of AD Offshore AS in Q2 2016. Gross interest-bearing debt was 340 MNOK at the end of Q3 2016 versus 234 MNOK at the end of Q3 2015. The short term interest bearing debt in our balance sheet includes the next 12 months installments of the long term debt. This is in accordance to current IFRS requirements.

CAPEX in Q3 2016 amounted to 24.4 MNOK of which 1.9 MNOK was capitalized R&D expenses in accordance to IFRS and 2.1 MNOK was related to our rental model and is

classified as financial lease. YTD CAPEX were 64.6 MNOK whereof 12.0 MNOK was capitalized R&D expenses in accordance to IFRS and 11.6 MNOK was related to rental. Total 2015 CAPEX were 75.8 MNOK whereof 19.1 MNOK was capitalized R&D expenses in accordance to IFRS and 29.7 MNOK was related to rental. Annualized CAPEX as percentage of revenue was 6.5% in Q3 and annualized CAPEX as percentage of revenue in 2015 was 5.3%.

Return on capital employed (ROCE) in Q3 2016 ended at 12.4% (13.9%).

Total assets and total equity amounted to 1,179 MNOK and 438 MNOK respectively, resulting in an equity ratio of 37.1% (38.0%) at the end of Q3 2016.

Other shareholder issues

Earnings per share in Q3 2016 was 0.36 NOK (0.74). Earnings per share in 2015 was 2.20 NOK for equity holders of AKVA group ASA and the diluted earnings per share was NOK 2.21. The calculations are based on 25,834,303 (25,834,303) shares average.

The 20 largest shareholders are presented in note 4 in this report.

Acquisition of Sperre AS – the leading ROV producer

Sperre AS will be the “center of excellence” in AKVA group in terms of ROV technologies as well as relevant subsea technologies.

The intention and ambition is to develop an undisputed industrial leadership in the ROV and subsea technology area within aquaculture.

AKVA group ASA acquires 66% of the shares in Sperre AS. The closing of the transaction will take place on November 4th, 2016.

The enterprise value for all the shares in Sperre AS is NOK 126.9 million. In addition AKVA will pay an adjustment amount based on the net debt and working capital position at closing.

AKVA group ASA have an option to buy the remaining 34% of the shares after three years, where the pricing is based on financial performance in the three year period.

The acquisition will be paid in cash and will be financed with a loan from Danske Bank.

Changes in operational structure

From August 2016 and onwards land based technologies is carved out as a new Group entity. The entity will be headed by Morten Nielsen who will be a new member of the Group management team in AKVA group responsible for all land based operations in the Group. In addition Morten Nielsen also holds the roles as General Manager in both Aquatec Solutions and AKVA group Denmark.

Sperre AS will be included as a new unit in the Nordic cage based area of AKVA group.

Helgeland Plast – expanding capacity

Our 100% owned subsidiary Helgeland Plast AS in Mo i Rana is investing in a new factory facility which will expand the production capacity of cages, boats and generic pipes.

In addition, the boat production is made more efficient by streamlining and outsourcing part of the production. This will double the production capacity of Polarcirkel boats during 2017. This improvement will reduce delivery time significantly and at the same time give us more flexibility when it comes to adjusting production volumes going forward. It will also enable us to deliver boats to new customer groups outside the fish farming industry.

Expansion into the Mediterranean – new office in Spain

We now see positive signs in the Sea Bass and Sea Bream market in the Mediterranean. AKVA group is therefore about to establish a new office on the east coast of Spain.

We will have service resources on the ground to support our customer base.

This office will strengthen our presence and position in the Mediterranean region.

Deliveries into Iran

AKVA group has worked actively in Iran for the last 2-3 years and we have now delivered the second cage farm in this market to Bushehr Aramseyd Co. Reysali Delvari Dam.

We are doing sales of both cage based and land based technology into Iran. These are equally big markets, i.e for cage based and land based technology.

The Iranian Government strategy is to grow cage farming by 200.000 tons in 5 years (Barramundi, Sea Bream, Rainbow Trout, Sturgeon, etc).

The Government is already issuing licenses, providing financing and setting deadlines for starting-up production.

Atlantis Subsea Farming AS

Atlantis Subsea Farming AS is in dialogue with the Directorate of Fisheries and we are waiting for a final decision.

In partnership with the companies Sinkaberg-Hansen AS and Egersund Net AS, AKVA group ASA established the company Atlantis Subsea Farming AS on February 1st, 2016 with the purpose of developing submersible fish-farming facilities for salmon on an industrial scale. Atlantis Subsea Farming AS has applied for six development licences to enable large-scale development and testing of the new technology and operational concept.

The work on Atlantis started in summer 2014, and experts from all three companies have been and will continue to be involved in the work with the ATLANTIS concept.

Through its innovative development work, ATLANTIS aims both to contribute to better and more sustainable use of current farming sites, as well as to enable use of more exposed sites than is currently possible. The goal is to achieve production gains and improve fish welfare by submerging the facilities, as they will be far less exposed to the environmental and physical conditions than in a surface position.

Large-scale testing will focus on third-party documentation of fish welfare and production performance, the

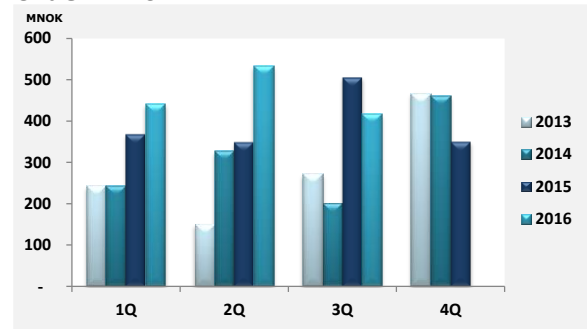
technological capabilities of the system, and safeguarding the occupational health and safety of employees.

There are many risks associated with the project, and the testing of the technological and operational solutions requires large-scale testing beyond what can be done in today's fish farms based on traditional operating methods. The further progress of the project and our ability to ensure a methodical approach thus depends on us being granted development licences.

Although ATLANTIS represents a significant leap forward in terms of innovation, it is also an objective for the concept to keep costs at a level that helps strengthen the industry's competitive position. The aim is also that the technology and operating methods developed through ATLANTIS can be made available and adopted by the industry relatively quickly.

Market and future outlook

Order inflow



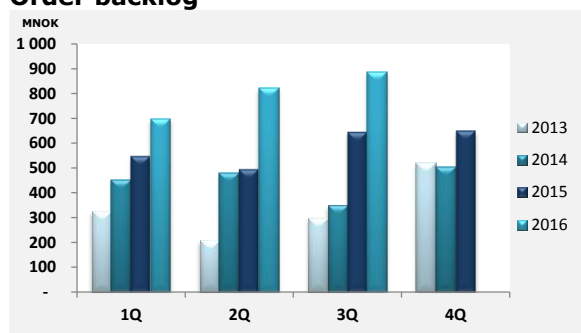
The order inflow in Q3 was 417 MNOK (505). However, in Q3 2015 the order backlog of Aquatec Solutions was included for the first time (with MNOK 187). Adjusted for Aquatec Solution in Q3 2015 the increase in order inflow YoY in Q3 was 31%.

Order inflow YTD for the first nine months of 2016 was 1.391 MNOK (1.220).

The order backlog at the end of Q3 was 886 MNOK (643). This is the highest order backlog ever for AKVA group.

MNOK 417 or 47% of total order backlog at end of Q3 is related to land based technology (LBT).

Order backlog



We have a good mid-term outlook due to high market activity and the large order backlog.

The good demand in the Nordic cage based segment continues.

The land based activity in AKVA group is growing. This trend is expected to continue and the land based segment is becoming a larger part of AKVA group.

UK and Europe is expected to perform well going forward with a growing order backlog.

Canada experienced slightly less project sales so far compared to last year and we have moderate expectations in this market going forward.

We still have low expectations in Chile, but there are now clear signs of improvement in this market. Our exposure in Chile is reduced compared to prior years.

Our Turkey and Australian operations are expected to continue to perform well in the next quarters with a good order backlog.

Exports to emerging markets have a more optimistic view compared to last year. However, the activity is still expected to fluctuate due to the nature of the business.


AKVA group continue to actively seek strategic M&A opportunities within relevant segments.

We continue our effort to build service and after sales as a key business element in all our markets and segments.

Statement from the Board and Chief Executive Officer

We confirm that, to the best of our knowledge, the condensed set of financial statements for the period January 1st to September 30th 2016, which have been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Drangedal, November 2nd, 2016
Board of Directors, AKVA group ASA



Hans Kristian Mong
(chairperson)



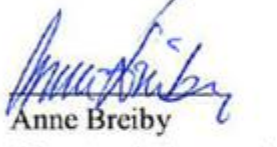
Nils Viga



Frode Teigen



Evy Vikene



Anne Breiby
(Deputy chairperson)



Anthony James




Aino Olaisen



Tore Obrestad



Carina Jensen



Henrik A. Schultz



Trond Williksen
(CEO)

Interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (NOK 1 000)	2016 Q3	2015 Q3	2016 YTD	2015 YTD	2015 Total
OPERATING REVENUES	353 754	354 734	1 154 500	1 081 261	1 425 338
Operating costs ex depreciations	315 466	314 170	1 033 985	973 232	1 290 179
OPERATING PROFIT BEFORE DEPR.(EBITDA)	38 287	40 564	120 514	108 029	135 159
Depreciation	17 526	12 193	48 836	33 508	47 450
OPERATING PROFIT (EBIT)	20 762	28 371	71 678	74 521	87 709
Net interest expense	-985	-836	-4 880	-3 617	-5 354
Other financial items	-3 564	309	-15 038	299	-4 265
Net financial items	-4 550	-527	-19 918	-3 318	-9 619
PROFIT BEFORE TAX	16 212	27 844	51 760	71 203	78 090
Taxes	5 451	8 005	16 045	20 442	19 690
NET PROFIT	10 761	19 839	35 714	50 762	58 400
Net profit (loss) attributable to:					
Non-controlling interests	1 381	666	344	1 194	1 572
Equity holders of AKVA group ASA	9 380	19 173	35 370	49 568	56 828
Earnings per share equity holders of AKVA group ASA	0,36	0,74	1,37	1,92	2,20
Diluted earnings per share equity holders of AKVA group ASA	0,36	0,74	1,36	1,92	2,21
Average number of shares outstanding (in 1 000)	25 834	25 834	25 834	25 834	25 834
Diluted number of shares outstanding (in 1 000)	25 834	25 802	25 834	25 802	25 711
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NOK 1 000)			2016 30.9.	2015 30.9.	2015 31.12.
Intangible fixed assets			396 614	336 842	348 130
Deferred tax assets			14 094	3 218	12 659
Fixed assets			138 337	88 381	103 495
Long-term financial assets			5 086	8 032	2 747
FIXED ASSETS			554 130	436 472	467 031
Stock			178 211	208 905	180 677
Trade receivables			287 339	355 768	289 216
Other receivables			33 211	25 945	36 686
Cash and cash equivalents			126 187	136 203	109 517
CURRENT ASSETS			624 948	726 821	616 096
TOTAL ASSETS			1 179 078	1 163 293	1 083 127
Paid in capital			355 549	355 517	355 426
Retained equity			71 330	83 980	69 562
Equity attributable to equity holders of AKVA group ASA			426 879	439 498	424 988
Non-controlling interests			10 909	3 066	3 444
TOTAL EQUITY			437 788	442 563	428 432
Deferred tax			34 910	7 027	18 107
Other long term debt			203	15 743	15 495
Long-term interest bearing debt			265 086	187 621	188 375
LONG-TERM DEBT			300 199	210 391	221 977
Short-term interest bearing debt			74 592	46 459	57 258
Other current liabilities			366 498	463 881	375 459
SHORT-TERM DEBT			441 090	510 339	432 717
TOTAL EQUITY AND DEBT			1 179 078	1 163 293	1 083 127
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (NOK 1 000)			2016 Q3	2015 Q3	2015 YTD
Book equity before non-controlling interests at the beginning of the period	450 525	415 113	424 988	387 577	387 577
The period's net profit	9 380	19 173	35 370	49 568	56 828
Capital increase	-	-	-	-	-
Non-controlling interests arising on a business combination	-	-	2 689	-	-196
Buyback of own shares	-	-901	-	-901	-4 173
Sale of own shares	-	-	4 155	-	-
Gains/(losses) on cash flow hedges (fair value)	-1 225	-8 680	-3 725	-5 191	-5 046
Utbytte/Dividend	-19 376	-	-19 376	-	-25 736
Change in pension liability recorded against equity	-	-	-	-	-
Recording of option agreement	-	-	-	-	-
Translation differences	-12 426	14 793	-17 223	8 446	15 735
Equity before non-controlling interests	426 879	439 498	426 879	439 498	424 988
Non-controlling interests	10 909	3 066	10 909	3 066	3 444
Book equity at the end of the period	437 788	442 563	437 788	442 563	428 432

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (NOK 1000)	2016 Q3	2015 Q3	2016 YTD	2015 YTD	2015 Total
Net cash flow from operations	33 221	38 879	93 664	100 191	120 240
Net cash flow from change in working capital	-25 355	10 537	10 404	-12 663	-24 618
Net cash flow from operational activities	7 866	49 415	104 067	87 528	95 622
Net cash flow from investment activities	-17 271	-84 060	-136 999	-110 178	-116 439
Net cash flow from financial activities	-13 646	103 137	53 576	103 799	74 419
Net change in cash and cash equivalents	-23 052	68 492	20 644	81 148	53 602
Net foreign exchange differences	-2 412	562	-3 974	1 120	1 980
Cash and cash equivalents at the beginning of the period	151 651	67 150	109 517	53 935	53 935
Cash and cash equivalents at the end of the period	126 187	136 203	126 187	136 203	109 517

Selected notes to the interim consolidated financial statements

Note 1 General information and basis for preparation

AKVA group consists of AKVA group ASA and its subsidiaries. There have been the following changes in the Group's legal structure since year-end 2015:

- AKVA group ASA acquired 58% of the shares in AD Offshore AS on April 7th, 2016. YesMaritime AS was in June 2016 merged with AD Offshore AS. The new company is named AKVA Marine Services AS and AKVA group ASA owns 65% of the shares in this company. AKVA and the other minority shareholders have agreed on a mutual option to buy / sell the remaining 35% of the shares in AKVA Marine Services AS. The option is exercisable from the date that is five years from completion. The pricing of the remaining 35 percent of the shares is linked to the performance of the company over these five years.
- AKVA group ASA exercised a call option to buy the remaining 30% of the shares in Plastsveis from the minority shareholders. The call option was exercised in March 2016 and the transaction was finalized on April 11th,

2016. AKVA group ASA owns 100% of the shares in Plastsveis AS from April 11th, 2016.

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as adopted by the EU (IAS 34). The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statement. The condensed interim financial statements do not include all of the information and disclosures required by International Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the most recent annual financial statements. The annual financial statements were prepared in accordance with International Financial Reporting Standards and interpretations as issued by the International Standards Board and as adopted by the EU. A description of the significant accounting policies applied in preparing these condensed interim financial statements is included in AKVA Group's consolidated financial statements for 2015. There have been no changes to significant accounting policies since the preparation of the annual financial statements for 2015.

The condensed interim financial statements are unaudited.

Because of rounding differences, numbers or percentages may not add up to the total. The consolidated financial statements for the Group for the year ended December 31st, 2015 are available upon request from the company's registered head office at Nordlysveien 4, 4340 Bryne, Norway or at <http://ir.akvagroup.com/investor-relations/financial-info-/annual-reports>.

Note 2 Accounting principles

All significant accounting principles applied in the consolidated financial statement are described in the Annual Report 2015 (as published on the OSE on April 11th, 2016). No new standards have been applied in 2016.

Note 3 Recognition and measurement of assets and liabilities in connection with the AD Offshore AS acquisition

The recognition and measurement of assets and liabilities in connection with the AD Offshore AS acquisition is not final in the consolidated financial statement as of September 30th, 2016. IFRS 3 permits adjustments to items recognized in the original accounting for business combination, for a maximum of one year after the acquisition date, if and when new information about facts and circumstances existing at the acquisition date is obtained. AKVA group will make a final assessment before this one year period comes to an end.

Note 4 Events after the reporting period

AKVA has entered into an agreement with Sperre Group AS for the purchase of 66% of the shares in Sperre AS ("Sperre").

The purchase price for the shares is based on an enterprise value of Sperre on a 100% basis of NOK 126,900,000, with customary adjustments for net debt and deviations from a normalized level of working capital on completion. An estimated purchase price for the shares will be paid in cash on completion of the transaction, which is expected to take place on 4 November 2016, subject to fulfillment of certain customary completion conditions. Completion of the transaction is not subject to regulatory approvals. The final purchase price will be established after completion based on the net debt and working capital position of Sperre as of 31 October 2016.

AKVA and Sperre Group AS have also agreed a mutual option to buy/sell the remaining 34% of the shares in Sperre. The option is exercisable in a limited period after the approval of the 2019 annual accounts of Sperre. The pricing of the remaining 34% of the shares is linked to the performance of the company in 2017, 2018 and 2019.

Sperre Group AS is controlled by Sperre chairman and General Manager Thor Olav Eikeland Sperre, who will continue in his role as General Manager after completion of the transaction. He will also be a member of the board of directors of Sperre.

AKVA will finance the transaction with a loan from Danske Bank, and with available equity and/or available credit lines if required for the post

completion adjustment of the purchase price.

The Sperre transaction is also commented on page 6 and 7 in this report.

Note 5 Business segments

AKVA group is organized in three business segments; Cage based technologies, Software and Land based technologies. The same accounting principles as described for the Group financial statements have been applied for the segment reporting. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for the actual transactions.

CONDENSED CONSOLIDATED BUSINESS SEGMENTS (NOK 1 000)	2016 Q3	2015 Q3	2016 YTD	2015 YTD	2015 Total
Cage based technologies					
Nordic operating revenues	167 237	160 243	567 902	511 424	647 287
Americas operating revenues	35 637	58 023	96 979	187 579	231 542
Export operating revenues	41 609	58 549	136 437	152 008	192 098
INTRA SEGMENT REVENUE	244 483	276 814	801 317	851 011	1 070 927
Operating costs ex depreciations	219 007	247 782	716 984	766 303	976 102
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	25 476	29 032	84 333	84 708	94 824
Depreciation	12 590	8 440	34 297	24 059	33 254
OPERATING PROFIT (EBIT)	12 886	20 592	50 037	60 649	61 570
Software					
Nordic operating revenues	29 013	24 427	89 543	74 005	108 061
Americas operating revenues	3 149	6 833	9 296	17 873	21 335
Export operating revenues	601	662	1 938	1 806	2 696
INTRA SEGMENT REVENUE	32 762	31 921	100 778	93 684	132 092
Operating costs ex depreciations	24 794	23 602	81 561	76 284	106 092
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	7 969	8 320	19 217	17 400	25 999
Depreciation	2 892	3 115	8 575	7 647	10 331
OPERATING PROFIT (EBIT)	5 076	5 205	10 642	9 753	15 668
Land based technologies					
Nordic operating revenues	75 947	44 906	249 768	133 050	214 658
Americas operating revenues	561	1 093	2 637	3 517	7 661
Export operating revenues	-	-	-	-	-
INTRA SEGMENT REVENUE	76 508	45 998	252 405	136 567	222 319
Operating costs ex depreciations	71 665	42 786	235 440	130 646	207 984
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	4 843	3 213	16 964	5 921	14 335
Depreciation	2 043	638	5 965	1 801	3 865
OPERATING PROFIT (EBIT)	2 800	2 575	10 999	4 120	10 469

Note 6 Top 20 shareholders as of September 30th, 2016

Shareholders	Citizenship	Number of Ownership	
		shares held	percentage
EGERSUND GROUP AS	NOR	13 203 105	51,1
WHEATSHEAF INVESTMENTS LIMITED	GBR	3 900 000	15,1
VERDIPAPIRFONDET ALFRED BERG GAMBA	NOR	969 049	3,8
SKANDINAVISKA ENSKILDA BANKEN S.A.	LUX	554 000	2,1
EIKA NORGE	NOR	489 417	1,9
STATOIL PENSJON	NOR	484 470	1,9
VERDIPAPIRFONDET DNB SMB	NOR	350 356	1,4
MP PENSJON PK	NOR	334 300	1,3
VPF NORDEA KAPITAL	NOR	317 411	1,2
MERTOUN CAPITAL AS	NOR	300 000	1,2
OLE MOLAUG EIENDOM AS	NOR	238 692	0,9
VPF NORDEA AVKASTNING	NOR	230 608	0,9
ROGALAND SJØ AS	NOR	173 550	0,7
DAHLE BJØRN	NOR	172 961	0,7
ARCTIC FUNDS PLC	BEL	172 094	0,7
VERDIPAPIRFONDET EIKA ALPHA VPF	NOR	139 535	0,5
STATOIL FORSIKRING A.S	NOR	125 608	0,5
J.P. MORGAN LUXEMBOURG S.A.	GBR	122 595	0,5
FORTE TRØNDER	NOR	115 354	0,4
MOLAUG OLE	NOR	114 752	0,4
20 largest shareholders		22 507 857	87,1
Other shareholders		3 326 446	12,9
Total shares		25 834 303	100,0

An updated overview of the 20 largest shareholders is available on AKVA group's investor relations webpage, <http://ir.akvagroup.com/investor-relations/the-share/largest-shareholders>.

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AKVA group, Trondheim	Tel (+47) 73 84 28 00
AKVA group, Brønnøysund	Tel (+47) 75 00 66 00
AKVA group, Sandstad	Tel (+47) 72 44 11 00
AKVA group, Mo i Rana	Tel (+47) 75 14 37 50
AKVA group, Tromsø	Tel (+47) 75 00 66 50
Helgeland Plast, Mo i Rana	Tel (+47) 75 14 37 50
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Wise ehf, Reykjavik	Tel (+354) 545 3200
Wise Blue, Ålesund	Tel (+47) 930 03 470
Aquatec Solutions, Vejle	Tel (+45) 75 88 02 22
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AKVA group Denmark, Fredericia	Tel (+45) 755 13 211
AKVA group Chile, Puerto Montt.	Tel (+56) 65 250 250
AKVA group UK, Inverness.	Tel (+44) 1463 221 444
AKVA group North America, Campbell River, Canada	Tel (+1) 250 286 8802
AKVA group North America, Halifax, Canada	Tel (+1) 902 482 2663
AKVA group Australia, Tasmania	Tel (+61) 400 167 188
AKVA group Turkey, Bodrum	Tel (+90) 252 374 6434
